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SIPDIS

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TAGS: [PREL](#) [IR](#) [IT](#) [UNGA](#) [RU](#)

SUBJECT: RUSSIA/ITALY: LAVROV REASSURES FRATTINI ON UNSC
ENLARGEMENT; ASKS FOR REFOCUS ON QUINT IN BALKANS

REF: A) ROME SIPRNET 7/15 B) ROME 2745

Classified By: POL MINISTER-COUNSELOR TOM COUNTRYMAN.

REASON: 1.4 (B)(D)

1. (C) SUMMARY: During their July 15 meeting in Rome, FM Frattini and Russian FM Lavrov reviewed preparations for the annual Russia-Italy Summit, which will take place in Moscow "sometime in November." Frattini underlined Russia's need to "adopt western standards" concerning business regulations, especially as they apply to foreign investors. Lavrov reiterated Moscow's view that an international conference on Iraq was critical to the reconstruction and reconciliation process. Frattini offered to use Italian "good offices" in the region to explore whether there was sufficient interest for such a conference among border countries. Lavrov is concerned that not having simultaneous legislative and presidential elections will deprive the Kabul government of "legitimacy." He urged Frattini to "refocus" on the Contact Group mechanism in Kosovo. Lavrov indicated that there would be "good news" in the near future regarding Russian approval of Kyoto. Frattini was relieved to hear that it would take the strong support of an "overwhelming majority" of the UN General Assembly, not just two-thirds, for Russia to accede to more permanent Security Council seats. END SUMMARY.

November Summit/Commercial Interests

2. (C) MFA Russia/East Europe Office Director Marco Marsilli briefed poloff on the some of the non-public highlights of Russian FM Lavrov's Rome meeting with FM Frattini. (Ref a. summarizes press statements and joint declarations issued during the visit.) Lavrov also met with PM Berlusconi, President Ciampi and Chamber President Casini during his July 14-15 visit but, according to Marsilli, these were mainly non-substantive courtesy calls made in recognition of Lavrov's first official visit to Italy as FM. Marsilli said that both sides were pleased with the results and overall tone of this first bilateral meeting between the ministers. They reviewed preparations for the annual Russia-Italy Summit, which will take place in Moscow "sometime in November" and will focus on furthering the strong economic/commercial links between the countries. Marsilli noted that Italy was Russia's second-largest trading partner after Germany.

3. (C) Frattini told Lavrov that he had met recently with Italian entrepreneurs and investors with interests in Russia, who had described specific concerns and experiences. Frattini underlined that while most Italian business people were pleased with their interactions with their Russian counterparts in industry and manufacturing, there was far less satisfaction when it came to government bureaucracy and regulations. Frattini underlined Russia's need to "adopt western standards." The Italian business people were unanimous in expressing frustration with confusing regulations, indecipherable chains of command, inconsistent and often contradictory central-government and local regulations, and outright corruption and demands for kickbacks, particularly in the customs service and contract award process. Lavrov took this information on board, and assured Frattini that Moscow was aware of the problems encountered by foreign investors and would continue to address their concerns. Marsilli noted that Lavrov seemed "intrigued" by an idea put forward by Frattini for an ombudsman's office designed to respond to the particular issues of foreign businesses, and promised to follow up when he returned to Moscow.

Iraq/Afghanistan

4. (C) Lavrov reiterated Moscow's view that an international conference on Iraq, which would include border countries, was critical to the reconstruction and reconciliation process. Lavrov averred that if neighboring countries were involved in a diplomatic initiative to assist the international coalition in Iraq, they were far less likely to support or foment terrorist or destabilizing activities. Frattini agreed in principle, and said that it was worth exploring specifics of this Russian idea. Marsilli said that Frattini offered to use Italian "good offices" in the region to explore whether there was sufficient interest for such a conference among

border countries. Frattini will follow up with Lavrov.

15. (C) Lavrov told Frattini that he was satisfied with preparations thus far for Afghan presidential elections in September, but is concerned that not having simultaneous legislative elections would deprive the Kabul government of "legitimacy." Marsilli said that Frattini registered this concern without comment.

Kosovo

16. (C) Lavrov told Frattini that he was troubled by the recent tendency towards using a "NATO/US/EU arrangement" to address issues in Kosovo at the expense of the Contact Group, and urged Frattini to "refocus" on the CG. Lavrov lamented the lack of progress in addressing the concerns of the Serb minority in Kosovo, and the slow pace of "demilitarization" of Kosovar Albanians. Lavrov also bemoaned that "certain western countries" had accepted the inevitability of an independent Kosovo.

Russia/EU

17. (C) Both ministers stated that the pace of EU/Russia cooperation was on target, including extension of partnership and cooperation agreements to the ten new members. Frattini urged rapid Russian adoption of the Kyoto agreement, to which Lavrov made no promises but hinted that there would be "good news" in the near future. Lavrov said that he hoped ongoing discussions would successfully address issues related to the flow of goods through Kaliningrad, and urged continued EU focus on the status of Russian minorities in the Baltics.

UN Reform

18. (C) Frattini reiterated his government's strong concerns (ref b), that pressure from Germany and Japan was moving the UNGA towards accepting additional permanent Security Council seats, which would exclude Italy. Frattini was worried that recent unspecified public statements and accounts of meetings between Russian officials with interlocutors from other (unspecified) countries indicated Moscow was now leaning toward the German/Japanese position. Frattini was therefore relieved, said Marsilli, when Lavrov emphasized that Russia was "in no hurry" to expand the P-5. Moscow was willing to consider all UN reform proposals, he continued, but it would take the strong support of an "overwhelming majority" of the General Assembly, not just two-thirds, for Russia to accede to restructuring that included more permanent Security Council seats. Lavrov stated that should such overwhelming support emerge, Russia would consider Germany, Japan, India and Brazil logical candidates for membership.

19. (C) Comment: Marsilli said that Frattini was most relieved that Lavrov had referred to "overwhelming" numbers (far more than two-thirds support) as a condition which must be satisfied before Moscow would entertain enlarging the UNSC. As stated in ref b, the Italian Government, at levels high and low, constantly ping their US interlocutors for signals on our views. FM Frattini even raised the issue with a visiting delegation from the Anti-Defamation League. We have been informed by our contact at the Canadian Embassy that FM Frattini has requested a bilat on the margins of UNGA with FM Graham, and that the main topic of that conversation, at least from the Italian side, will be UN reform. We can expect that during any similar bilat with Secretary Powell, Frattini will be seeking the same specific reassurances from the US that he received from Lavrov.

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